

REVIEW OF LABOR AND ECONOMIC CONDITIONS

Vol. 12 No. 1, First Quarter 1985

May 1985 Issue

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MINNESOTA DEPARTMENT OF ECONOMIC SECURITY

RESEARCH AND STATISTICAL SERVICES OFFICE

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The Review of Labor and Economic Conditions is published quarterly by the Research and Statistical Services Office of the Minnesota Department of Economic Security, 390 North Robert Street, St. Paul, MN, 55101, in cooperation with the United States Department of Labor, Bureau of Labor Statistics, and the Employment and Training Administration. Current Minnesota Labor Market Conditions is published in the eight months for which no Review appears. Subscriptions and single copies are available without charge and may be obtained by writing to the editor.

Manuscripts of articles are welcomed and should be submitted to the Editor. Articles on labor market conditions and the economic welfare of Minnesota workers are preferred, but subjects which can be shown to be closely related to general economic conditions within the State will also be considered. Articles should be submitted complete with tables and graphs. Length generally should not exceed the equivalent of ten single-spaced typewritten pages, including graphs, references, and notes.

All signed articles appearing in this publication together with the Editorial Comment represent the views of the author or editor and not necessarily those of the Department. Questions or comments to the authors may be directed to the Research and Statistical Services Office of the Minnesota Department of Economic Security, 390 N. Robert Street, St. Paul, Minnesota, 55101 or (612) 296-6545.

Comments and other correspondence concerning the publication should be addressed to the editor.

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Editorial Comment

IN SEARCH OF OBJECTIVITY

By R. Pinola

In 1979 Harold Wilensky observed that "economic inequality in one of those problems in social science that inspires the unhappy combination of maximum passion and minimum systematic study."^{1/} Although Wilensky's observation was directed primarily to the issue of income distribution, it applies equally to most of our concerns on social and economic policy. Indeed, it is rare to find complete objectivity in the appraisal of causes and cures of social and economic problems. This is largely due to the preconceived perceptions or views that we bring to any problem, which are predominantly flavored by personal experience. At times our views take on the attribute of sanctimonious, self-serving generalizations that have been marshalled by superficial observation.

In order to promote a more objective appraisal of social and economic problems, and an evaluation of programs formulated for their resolution, policy analysts have adopted a variety of techniques. By so doing, they hope to improve on the decision making process. In this effort, economists have probably made the greatest contribution in the development of analytical techniques for evaluating social and economic policy and programs. However, despite their fairly widespread use, there is no assurance that decision making with respect to social and economic problems have materially improved. This obviously begs the question, "why not"? There are many reasons for this state of affairs, but we shall restrict ourselves to identifying just a few.

First, and probably foremost, is that the preponderance of decisions affect many different individuals and interest groups, which makes all sorts of compromises necessary and therefore renders any decision based exclusively on objective analysis lost among the whims and fancies of the more vociferous interest groups. Such is obviously the case with our tax laws whether they be Federal, State, or local. However, the charge is not restricted to our tax laws, it applies with vengeance to many other attempts to reconstruct social and economic policy.

The second reason why the analytical techniques for policy analysis and program evaluation have not yielded the hoped for improvement in decision making is that we do not have the apparatus for objectively and efficiently quantifying the intensity of feeling when it comes to social or economic problems and their solution. Thus, while the price system in a market system of free exchange enables consumers' wishes to be expressed by the amount they are willing to buy and the price they are willing to pay, this is not the case with government provided goods and services. In a democratic society, the one-person-one-vote principle determines what is to be provided, who is to pay, and how much is to be paid. This is not to deny the benefits of a democratic society, only to point out that the intensity of demand (or as economists like to point out, the additional utility that individuals derive from the consumption of an additional unit of the commodity) is not reflected in the one-person-one-vote system. We might parenthetically add that the one-person-one-vote system is also largely a myth since only those of a certain

^{1/} See his, The Political Economy of Income Distribution, Institute of Industrial Relations, University of California, Berkeley, 1979, p8.

age are eligible to vote and even then, they do not have the opportunity to vote on each issue. To put it another way, representative government is not as representative as we are led to believe. Its something like common sense, it just isn't very common.

Our third observation also applies to the matter of quantification. This involves a slightly different perspective from the aforementioned example. Here we are dealing with measuring the value of something in slightly different terms. By way of example, consider the technique of benefit-cost analysis, which has become increasingly fashionable in recent years.^{2/} In theory the concept is impeccable, but in practice it runs into considerable difficulty because benefits and costs are not easily, if ever satisfactorily, measured. This opens up the possibility for a lot of nonsense and gives charlatans a field day in misleading the public. Some 25 years ago, we did a study of the benefit-cost practices in the water resource development area and found that in no case where a proposed project was under study did the benefit-to-cost ratio fall below unity, i.e., one-to-one. We have also found that use of the technique in evaluating manpower programs has rarely resulted in a benefit-cost ratio less than one. Our analysis of many studies indicates that benefits are often over-valued and costs undervalued. We hasten to add, however, that benefit-cost analysis can be productively used to sharpen our focus of what is and what is not important. Unfortunately, it is often overused and misused.^{3/}

Our final observation relates to the fact that those who are responsible for making the ultimate decision on programs and projects may not rely on the policy analysis techniques for any number of reasons. Failure to comprehend, or the lack of desire to familiarize oneself with the essentials of the techniques can make any use of the technique a sterile exercise. It can also lead to picking and choosing when and where its application and the results of it are used. If analytical techniques are to be used only when they support a preconceived point of view, their value soon falls into disrepute. It's akin to Gresham's law on money, i.e., bad money drives good money out of circulation. In practice, the trick is to determine what is good and what is bad. In this kind of situation, the search for objectivity can be an elusive but critical exercise. Like the accountant's bottom line, the results can be misleading. Care in the use of the analytical techniques is a prerequisite to good decision making, but it also demands that we divest ourselves of zealous partisan preconceptions in policy analyses and program evaluation.

^{2/} The technique was first employed over 50 years ago for evaluating water resource and land reclamation projects by the Bureau of Reclamation of the U.S. Department of Interior. In recent years it has been used in a wide variety of applications including the evaluation of manpower programs. The problems in its use that we cited cut across all programs and projects, some with more intensity than others.

^{3/} The same problem exists with attempts to measure returns on investment and multiplier effects on income and employment. More often than not, both are exaggerated. For example, one often reads of employment multipliers on the order of 4 or more from an initial investment by government based on input-output analysis. Such multipliers are predicated on some very heroic assumptions and only exist in the Land of Oz.

Research Summaries

IMPROVED TRAINING: WHAT KIND? FOR WHOM? HOW MUCH?

By B. Steuernagel

A great deal of discussion about the quality of education has taken place in our country in the past two years. Recommendations for improving the quality of training are proposed by various areas of the education industry - secondary vocational, community colleges, four year colleges, and others - as they seek to improve education while at the same time protect their role in the educational process. The structural shifts in employment which have rocked parts of the economy in the past three years have added a sense of urgency to the education and training debate which wasn't there before. In this article, we have collected several studies which present various aspects of the problem.

A report by the U.S. Department of Education entitled Indicators of Education Status and Trends gives some basis for the concern over the state of affairs in U.S. high schools, colleges, and universities. The National Center for Education Statistics surveyed 500 institutions of higher education. At those colleges and universities which offered remedial courses, 63 percent said enrollment increased from 1978 to 1984 and 30 percent said enrollment held steady. 25 percent of freshmen entering college or university took a remedial math course, 21 percent took remedial work in writing, and 16 percent took a remedial reading course in 1983-84. Percentages of freshmen in remedial courses were highest at public institutions, two-year colleges, institutions with open admissions policies, and colleges in the southeast.^{1/}

The need to improve high school education has resulted in various proposals which have increased academic requirements at the expense of other courses, particularly vocational education. The National Commission on Secondary Vocational Education, convened by the federally funded National Center for Research in Vocational Education, visited schools and held hearings in ten cities throughout the country. The following are some conclusions the Commission reached in their report, The Unfinished Agenda.^{2/} The Commission was critical of some of the assumptions being made by state education departments and local school boards. There is the assumption "that more academics, which may be the best preparation for college, is also the best preparation for life. This assumption is wrong. It ignores differences in student interests and abilities, and ignores the needs of those high school students who do plan to go on to college". The report also states that "our society is obsessively concerned with higher education as a preparation for work... Our secondary schools reflect this obsession by valuing only the college bound. Such a narrow focus ignores the fact that approximately 80 percent of the jobs in America do not require a college degree, and most students will not obtain one". The Commission concluded, "Students seeking employment in the skilled and technical occupations must first develop a strong foundation in general education. Upon that base is built specialization". It called for a mix of vocational and academic programs to be available to all students.

1/ Scientific-Engineering-Technical Manpower Comments, Scientific Manpower Commission, March 1985, pp. 22-23.

2/ The Unfinished Agenda, National Center Publications, National Center for Research in Vocational Education, Ohio State University.

However, in response to increased expenditures for the education of young people, Lewis Perelman, president of Strategic Performance Services recently stated that the real crisis in human capital is not among the young but rather among "50 million baby-boom generation adults whose careers are likely to be derailed by sweeping technological and structural changes in the postindustrial economy".^{3/} According to Perelman, over 75 percent of the people who will make up the work force in the year 2000 are adults today. Perhaps 20 percent of these are functionally illiterate and another 20 percent are marginally illiterate. Perelman stated "The current crop of educational reformers have attempted to induce the business community to contribute resources and support to obsolescent institutions, while largely ignoring the fact that the leading edge of innovation in instructional methodology is to be found in industry and the Defense Department, not academia".

A report from the Carnegie Corporation entitled Corporate Classrooms: The Learning Business,^{4/} by Nell P. Eurich points out that "corporate education and training programs are, in fact, one of the largest providers of adult education in America. She identifies four types of corporate education: 1) In-house educational programs; 2) Training in separately established "corporate campuses"; 3) Degree-granting programs set up by profit or nonprofit corporations; and 4) The satellite university, a cooperative venture in which corporations and universities develop advanced programs for professionals and use telecommunications to offer courses.

Finally, in an article entitled "How Workers Get Their Training",^{5/} Max Carey and Alan Eck report on the results of a survey of occupational training requirements from the workers point of view. Some of the results of this important survey were as follows: 1) About 55 percent of all workers employed in January 1983 indicated that they needed specific training to qualify for their current job, and about one-third of all workers had taken skill improvement training after obtaining their current job; 2) About 29 percent of all workers obtained qualifying training in school and 28 percent obtained it on the job, and 3) College programs that last 4 years or longer provided qualifying training to more workers than all other school categories combined. The article reports on sources of training for detailed occupations. For example, 79 percent of persons working as legal assistants reported that they needed training for their job. 30 percent said that 4 year college was the source of training, 59 percent said informal on-the-job training was the source of training. High school vocational education was listed by 8 percent of the workers and public post-high school vocational education by two percent.

These excerpts show the diversity of viewpoints prevalent today. There has long been disagreement over the best type of education; liberal arts, vocational, or career specialization. The debate today is perhaps louder because of economic circumstances which have focused a spotlight on the quality and content of the education of youth and the need for skills updating the lifelong education among adults whether it is provided by the employer or a school.

^{3/} "Adult Education Faces Twin Crises of Illiteracy, High-Tech, Speakers Claim", Employment and Training Reporter, Manpower Information, Inc., April 17, 1985, p. 945.

^{4/} Scientific Engineering-Technical Manpower Comments, Scientific Manpower Commission, March 1985, p. 25.

^{5/} "How Workers Get Their Training", Max Carey and Alan Eck, Occupational Outlook Quarterly, U.S. Department of Labor, Bureau of Labor Statistics, Winter 1984, pp. 3-21.

The Job Market

THE AGRICULTURE INDUSTRY

by D. Detrick

Employment in the agriculture industry is continuing its long-term trend of decline. From 1970 to 1984, employment fell by close to ten percent. After reaching a peak employment level in 1976 during this 15 year period, employment dropped 14.5 percent. Projections indicate that the employment outlook for the agriculture industry will not improve by 1990. This article focuses on the composition, employment, occupational staffing patterns, and future prospects for this troubled industry.

The agriculture industry consists of three groups of establishments: namely, those whose primary activities are agricultural production of crops, agricultural production of livestock, and agricultural services excluding horticultural. Agricultural production of crops includes the production of crops or plants, vines and trees (excluding forestry operations). The second industry group is characterized by the keeping, grazing, or feeding of livestock for sale, or value in use. Agricultural services excluding horticultural includes establishments engaged in soil preparation services, crop services, veterinary services, other animal services, and farm labor and management services.

Minnesota employment in the agricultural industry reached 118,900 in 1984, which represents about six percent of the State's total employment. By 1990, this share is expected to drop to 4.8 percent. Farming employment in the U.S. is projected to follow a similar downward path, as its proportion of total employment is expected to fall from 2.8 in 1982 to 2.3 in 1990. The agricultural sector accounts for approximately 98 percent of employment in the agriculture, forestry and fisheries industry. Employment in Minnesota's agriculture industry decreased by 1.8 percent between 1980 and 1982. A larger decline of 8.4 percent is anticipated between 1980 and 1990.

Occupational staffing patterns, as shown in Table A, reveal that nearly 93 percent of those employed in the agriculture sector are farming, forestry and

Table A
Occupational Staffing Patterns for the Agriculture Industry

Major Occupations	Percent of Industry Employment		
	1980	1982	1990
Managerial and Professional	2.1	2.2	2.5
Technical	0.6	0.6	0.7
Sales	0.4	0.5	0.6
Clerical	1.9	1.9	1.9
Service	0.4	0.4	0.4
Farming, Forestry and Fishing	92.7	92.5	91.7
Craft	0.6	0.7	0.8
Machine Operators	0.9	1.0	1.1
Laborers	0.3	0.4	0.4

fishing workers. The other significant occupational group, managerial and professional workers, contributes 2.2 percent of the industry's total employment. The proportion of managerial workers in the agriculture industry is expected to increase slightly to 2.5 percent in 1990. In contrast, the proportion of farming, forestry and fishing workers to total employment in the industry is projected to decrease to 91.7 percent.

Farm occupations dominate the farming, forestry and fishing group, with 111,960 persons employed in 1982. The farm occupational group is distributed among farmers except horticultural (68 percent), farm workers (24.3 percent), and managers, farms, except horticultural (4.5 percent). After a three percent decline between 1980 and 1982, employment of farmers, except horticultural in the agriculture industry is expected to fall an additional 12.9 percent by 1990. Meanwhile, employment of farm workers dropped by 2.4 percent between 1980 and 1982, and during the 1982 to 1990 period, employment in this group is projected to decline by 10.4 percent. On the other hand, the occupational group, managers, farms except horticultural, provides a healthier employment picture, as the 14.7 percent increase in 1980-1982 employment is expected to be followed by a 44.6 percent employment growth rate between 1982 and 1990.

Among managerial and professional workers in the agriculture industry, two occupations predominate. Close to sixty percent of this occupational group is represented by veterinarians (31.7 percent) and managers and administrators not elsewhere classified (26.8 percent). Employment for veterinarians grew nearly 3 percent between 1980 and 1982, and projections indicate an 8.4 percent increase between 1982 and 1990. Managers and administrators, n.e.c. experienced an employment increase of less than one percent between 1980 and 1982, with a further increase of 1.3 percent expected during the 1982-1990 period.

In contrast to the aforementioned groups, workers in the other seven major occupational categories comprise only five percent of the agriculture industry's employment. Sales workers contribute 1.9 percent of the total, of whom 22 percent are secretaries and 42 percent are bookkeepers, accounting and auditing clerks. Employment in both occupations is expected to decline in the agriculture industry between 1982 and 1990.

In general, employment prospects in the agriculture industry are dim, but job opportunities for farm managers appear favorable as a result of the trend toward larger farms (albeit fewer) and corporation-owned farms. The effects of farm foreclosures, funding uncertainties of farm subsidy programs, the strong dollar and technological changes in agriculture point to continued employment declines in the agriculture industry. Additionally, nations such as China have been rapidly increasing their domestic production of food grains and, thus, are likely to have less need for large purchases of grain from exporters.^{1/}

^{1/} See Agricultural Outlook, U.S. Department of Agriculture, May 1985.

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, APRIL, 1985^{1/}

by S. Hamper

Minnesota

Shortage Occupations: commissioned sales persons#, highly skilled clerical workers#, food service workers

Surplus Occupations: machinists, welders#, construction workers#, material handlers#, factory assemblers#, general laborers#

Central Minnesota

Shortage Occupations: commissioned sales persons#, home health aides, factory certified auto mechanics#

Surplus Occupations: management trainees#, entry level office clerical workers, material handlers#, laborers

Minneapolis/St. Paul

Shortage Occupations: secretaries, highly skilled clerical workers#, food service workers#

Surplus Occupations: welders#, machinists, electronic assemblers, factory assemblers#, material handlers#, general laborers#

Northeastern Minnesota

Shortage Occupations: electrical engineers

Surplus Occupations: entry level managers#, teachers#, social workers#, nurses#, office clerks#, typists#, bookkeepers#, sales clerks#, nurse assistants#, maids#, waiters-waitresses#, food production workers#, machinists#, welders#, auto mechanics#, maintenance mechanics#, carpenters#, bricklayers#, pipefitters#, electricians#, painters#, mining crafts#, laborers: construction, general and mining#

Northwestern Minnesota

Shortage Occupations: commissioned sales persons#, live-in companions, part-time food service workers, factory trained auto mechanics#

Surplus Occupations: office clerical workers#, retail sales clerks, registered nurses#, licensed practical nurses#, welders#, construction workers#, material handlers#, janitors#, general laborers#

Southern Minnesota

Shortage Occupations: engineers, over-the-road truck drivers, various part-time positions#

Surplus Occupations: construction workers#, factory workers#, general laborers

^{1/} Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

Job Service Applicant Supply and Demand

Table 1 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 1 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work. Readers who desire information on current shortage and surplus conditions for a specific occupation should refer to the Supply/Demand assessments given above.

Table 1. Experienced Supply/Job Openings Demand^{1/}

Occupation	Applicants (Supply) April, 1985	Job Openings (Demand) April, 1985	Supply/Demand Ratio	
			April, 1985	April, 1984
Total	132,401	13,741	9.6	8.5
Prof., Tech., Mgr.	14,353	1,756	8.2	8.5
Clerical	21,906	3,023	7.2	6.7
Sales	6,130	1,772	3.5	3.1
Dom. Services	2,078	169	12.3	9.2
Other Services	21,483	3,676	5.8	5.7
Farm., Fish., For.	3,751	230	16.3	11.2
Processing	2,585	403	6.4	5.3
Machine Trades	8,687	504	17.2	9.6
Benchwork	9,509	797	11.9	11.0
Structural Work	18,566	549	33.8	20.0
Mtr. Frght., Trans.	5,833	346	16.9	12.7
Pkg. & Mat. Hndlg.	16,206	454	35.7	19.9
Other	1,314	62	21.2	26.2

^{1/} Inexperienced and improperly coded job applicants are not included in this table.

Feature Article

1979-82, CONTINUOUS RECESSION IN MINNESOTA

By B. Boyle*

I. Introduction

This article will describe the declines in nonagricultural wage and salary employment that occurred in Minnesota between 1979 and 1982. Although this time period included two recessions, this period was chosen because the majority of the industry groups, especially in Minnesota, experienced almost continuous employment decreases throughout the four years. The emphasis will be on the Minnesota industries which had the largest declines both in numerical and percentage terms. Comparisons with nonfarm employment behavior in the Nation will be made only on an industry division or subdivision basis. Also, there will be no comparisons with earlier recessions since the discussion will include the employment behavior in the two most recent recessions.

The employment data used exclusively in this article were the monthly estimates of nonagricultural wage and salary employment by industry produced by the Current Employment Statistics Program (CES) which is administered by the Research Office of the Minnesota Department of Economic Security in cooperation with the U.S. Bureau of Labor Statistics (BLS). Using a survey of firms in Minnesota, the CES program develops monthly payroll employment data for 112 industries which include figures for all major industry divisions and subdivisions, nearly all of the major groups at the two digits of standard industrial classification (SIC) and 36 of the industry groups at the three digits of SIC. Each of the two and three digit employment series containing monthly figures from 1972 through 1984 were seasonally adjusted using the Census X-11ARIMA method and then summed to give totals for the major industry groups, subdivisions, divisions, and the grand total of nonagricultural wage and salary employment in Minnesota. All of the seasonally adjusted series were examined and the highs and lows between 1979 and 1983 were noted. A large number of industries, particularly in the Finance, Insurance, and Real Estate, the Services, and the Government sectors did not experience cyclical declines. Seasonally adjusted employment series for the United States as a whole were also examined and the peaks and troughs for industry divisions and subdivisions were noted for broad comparison purposes.

This article will contain three basic analyses. Part II chronicles the declines in industry employment in Minnesota and the United States between 1979 and 1983 in rather broad terms, Part III, discusses employment decreases in Minnesota in detail, and Part IV, compares the recovery that has taken place in Minnesota and United States industry employment since the lowpoints in 1982 and 1983 and compares current levels of employment with previous highs.

*This article was prepared by Ben Boyle, Research Analyst in the Research and Statistical Services Office of the Minnesota Department of Economic Security. The charts were constructed by Ron Daws, also a Research Analyst in the Research and Statistical Services Office.

II. Highlights and Comparisons

As shown in Table 1 and the graphs in the succeeding pages, there were a number of similarities and differences in the timing of employment peaks and troughs, as well as in the depths of the declines, in the various industries in the United States and Minnesota between 1979 and 1983. In general, Minnesota had the greater number of employment peaks in 1979 and, except for manufacturing, the larger percentage declines in employment between peaks and troughs.

The Nation exhibited significantly later peaks in total nonfarm payroll employment and retail trade, whereas the trough dates were quite close together except for retail trade. Huge percentage drops in mining and construction, and moderately larger decreases in other industry sectors, were responsible for the sharper decline in total nonfarm payroll employment in Minnesota as compared to the United States. The steepest drops in industry employment in the Nation were in durable goods manufacturing (18.9 percent), construction (17.3 percent), transportation (11.9 percent) and nondurable goods manufacturing (8.5 percent). In Minnesota, the sharpest declines were in mining (67.7 percent), construction (33.5 percent), durable goods manufacturing (16.9 percent) and transportation (14.6 percent).

Table 1
PEAKS, TROUGHS AND DECLINES IN NONFARM PAYROLL EMPLOYMENT
UNITED STATES AND MINNESOTA
1979-83

Industry Division	U.S. MN	Peak	Trough	Peak to Trough Percent Decline
Total Nonfarm Payroll Employment	U.S. MN	July 1981 Dec. 1979	Dec. 1982 Nov. 1982	3.1 5.9
Mining	U.S. MN	LITTLE OR NO CYCLICAL BEHAVIOR Oct. 1979	Aug. 1982	67.7
Construction	U.S. MN	Jan. 1980 Jan. 1980	Mar. 1983 Apr. 1983	17.3 33.5
Total Manufacturing	U.S. MN	June 1979 Jan. 1980	Dec. 1982 Nov. 1982	14.7 12.9
Durable Goods Manufacturing	U.S. MN	June 1979 Jan. 1980	Dec. 1982 Nov. 1982	18.9 16.9
Nondurable Goods Manufacturing	U.S. MN	Jan. 1979 Oct. 1979	Feb. 1983 Dec. 1982	8.5 7.5
Trans., Comm., & Pub. Util.	U.S. MN	Nov. 1979 Aug. 1979	Feb. 1983 Feb. 1983	4.4 10.5
Transportation	U.S. MN	June 1979 Aug. 1979	Feb. 1983 Feb. 1983	11.9 14.6
Total Trade	U.S. MN	Aug. 1981 Dec. 1979	Nov. 1982 Dec. 1982	1.2 6.0
Wholesale Trade	U.S. MN	Aug. 1981 Sep. 1979	Feb./Mar. 1983 Mar. 1983	3.4 10.7
Retail Trade	U.S. MN	Aug. 1981 Dec. 1979	Jan. 1982 Nov. 1982	1.1 5.2

Because mining employment in Minnesota is almost exclusively taconite (iron ore) mining while mining in the Nation is largely nonmetal (oil, gas, and coal), a comparison with mining in the United States would be misleading. The very sharp drop in mining in Minnesota was the result of troubles that have plagued the steel industry nationally, which were only partly due to the recent recessions. These structural or secular problems include substitutes for steel, less use of steel in automobiles, and increased foreign competition.

The considerably steeper percentage decline in construction employment in Minnesota compared to that in the United States was primarily the result of a steeper decline in residential housing construction. Although data are not readily available, we suspect that the budget problems at all levels of government in Minnesota had a dampening effect on heavy construction.

Employment in manufacturing in Minnesota may have dropped somewhat more slowly than that in the United States because of a difference in the composition of manufacturing. In durable goods, Minnesota has a much lower proportion of workers in primary metals and transportation equipment, industries in which employment fell very sharply in the United States between 1979 and 1983. Also in durable goods, Minnesota had higher proportions of workers in the office computing and scientific instruments industries which were only mildly affected by the recessions. In nondurable goods manufacturing, Minnesota had higher proportions of workers in the paper and printing industries. Employment in paper and allied products fell moderately during the downturn while employment in printing and publishing continued to grow throughout the recessions. Also, Minnesota has a comparatively small number of workers in the textiles and apparel industries, industries which are still declining throughout the Nation.

The larger percentage decline in the transportation sector in Minnesota compared to that of the Nation was probably due to a higher proportion of employment in railroads, which has been dropping substantially and steadily, and to sharper declines in employment in the local transportation and trucking and warehousing industries than in the United States. Since seasonally adjusted monthly employment figures for two digit industries in the transportation sector were not available for the United States, annual averages were used to determine the differences in employment changes between the United States and Minnesota.

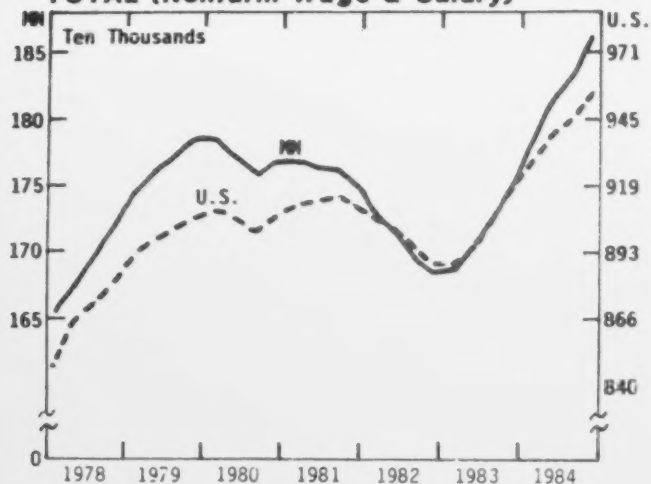
The steeper declines and earlier peaks in the wholesale and retail trade industries in Minnesota compared to those in the United States were most likely the result of the more pronounced downturn in Minnesota. Retail sales data for the United States and Minnesota show that sales in Minnesota fell twice as fast as those in the Nation during the 1980 recession and for three consecutive quarters in 1981 and 1982 sales in Minnesota dropped while sales nationally were stable. Also, total personal income in Minnesota grew more slowly than that in the United States between 1979 and 1982, especially in the second quarter of 1980 and the second and third quarters of 1982. Some of the slower growth in Minnesota was caused by the considerably larger proportion of farm income in Minnesota compared to the Nation.

Employment in the finance, insurance, and real estate, the services and the government sectors in the United States leveled off during the recessions. In Minnesota, however, although the finance, insurance, and real estate and the services sectors showed the same employment patterns as in the Nation, employment in government in Minnesota fell from 1981 to 1983 largely as a result of declining enrollments in primary and secondary schools.

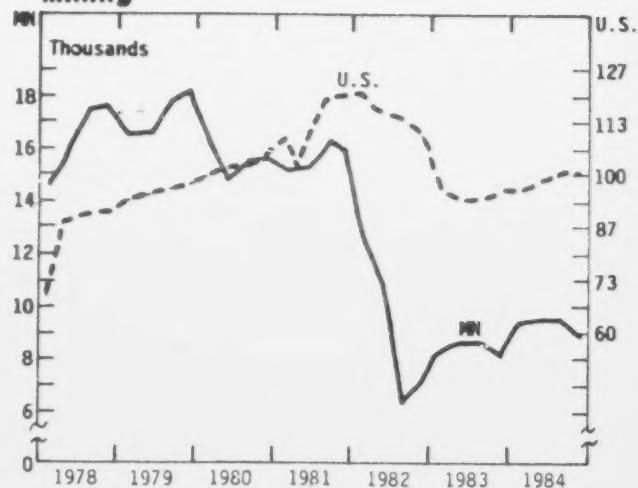
Employment, Selected Industries

(U.S. and MN, Seasonally Adjusted)

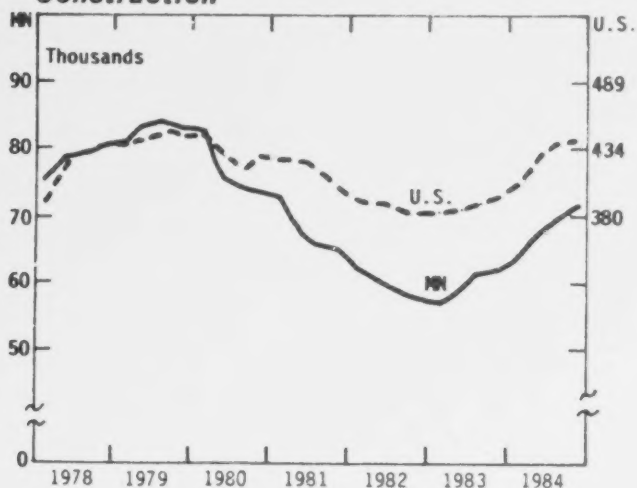
TOTAL (Nonfarm Wage & Salary)



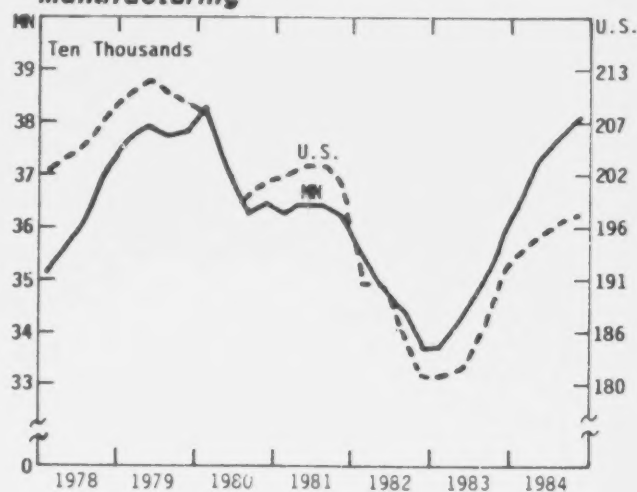
Mining



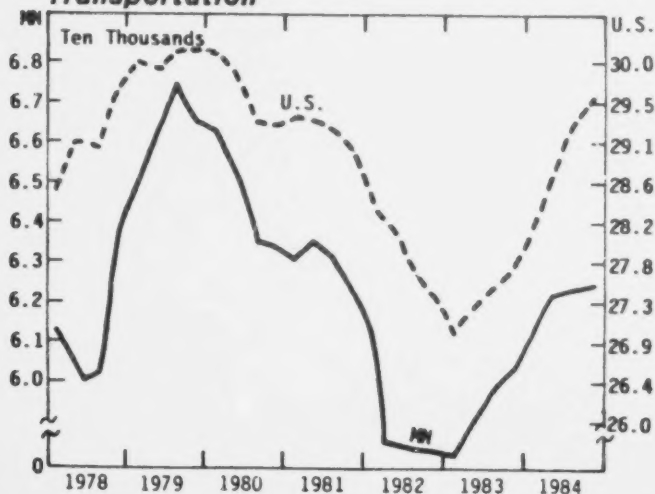
Construction



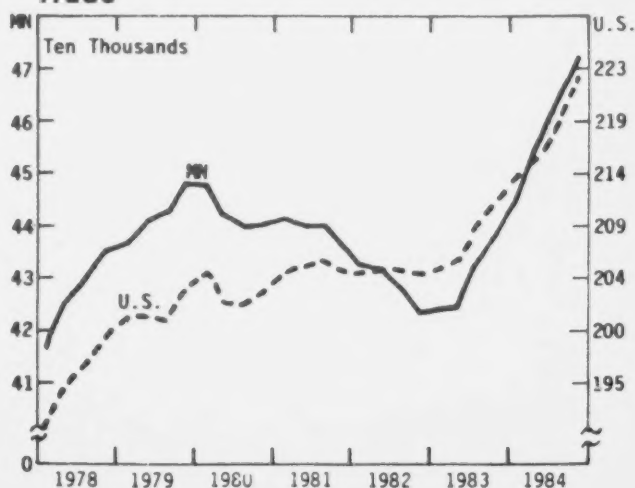
Manufacturing



Transportation



Trade



III. The Minnesota Declines in Detail

Having compared the declines in Minnesota and United States employment on a broad industry sector basis in Part II, we now turn to examining declines at the more detailed two and three digit industry level for Minnesota. We have included both the two and three digit industries in the rankings in Tables 2 and 3 because several of the three digit machinery industries suffered sizeable declines and some of these industries were significantly large in terms of employment. As Table 2 shows, the larger numerical declines included all of the construction industry groups, nearly all of the mining groups, a large number from durable goods manufacturing, and several from retail trade. Half of the durable goods manufacturing industries which showed substantial decreases in employment were in the machinery industries.

Table 2
TWENTY INDUSTRIES WITH THE LARGEST NUMERICAL DECLINES
FROM PEAK TO TROUGH

Rank	Industry Division or Subdivision	Industry or Industry Group	Decline
1	Durable Goods Mfg.	Total Nonelectrical Machinery	12911
2	Construction	Building Construction	12523
3	Construction	Special Trade Contractors	12428
4	Mining	Metal Mining	12402
5	Durable Goods Mfg.	Transportation Equipment	8228
6	Durable Goods Mfg.	Fabricated Metals	7685
7	Retail Trade	Automotive Dealers and Stores	7484
8	Retail Trade	General Merchandise Stores	6966
9	Nondurable Goods Mfg.	Food and Kindred Products	6289
10	Construction	General Contractors	5858
11	Durable Goods Mfg.	Farm Machinery	5575
12	Durable Goods Mfg.	Other Electrical Machinery	5549
13	Durable Goods Mfg.	Lumber and Wood Products	4722
14	Durable Goods Mfg.	Total Electrical Machinery	4652
15	Transportation	Trucking and Warehousing	4260
16	Durable Goods Mfg.	Const., Mining and Materials Mach.	4177
17	Services	Business Services	3614
18	Retail Trade	Bldg. Materials and Hardware Stores	3541
19	Retail Trade	Food Stores	3469
20	Nondurable Goods Mfg.	Rubber, Misc. Plastic and Leather	3161

Table 3
TWENTY INDUSTRIES WITH THE LARGEST PERCENTAGE DECLINES
FROM PEAK TO TROUGH

Rank	Industry Division or Subdivision	Industry or Industry Group	Percentage Decline
1	Mining	Metal Mining	75.0
2	Durable Goods Mfg.	Transportation Equipment	65.4
3	Durable Goods Mfg.	Farm Machinery	53.2
4	Durable Goods Mfg.	Const., Mining and Materials Mach.	48.7
5	Construction	Building Construction	43.8
6	Construction	General Contractors	39.0
7	Durable Goods Mfg.	Lumber and Wood Products	34.5
8	Durable Goods Mfg.	Primary Metals	33.2
9	Construction	Special Trade Contractors	28.4
10	Durable Goods Mfg.	General Industrial Equipment	25.0
11	Durable Goods Mfg.	Service Industry Machines	23.5
12	Nondurable Goods Mfg.	Rubber, Misc. Plastic and Leather	22.0
13	Durable Goods Mfg.	Other Electrical Machinery	21.6
14	Durable Goods Mfg.	Stone, Clay and Glass Products	21.5
15	Mining	Other Mining	20.2
16	Retail Trade	Furniture and Home Furnishings	19.6
17	Durable Goods Mfg.	Engines, Special and Misc. Mach.	19.5
18	Durable Goods Mfg.	Fabricated Metals	19.3
19	Durable Goods Mfg.	Metal Working Machinery	19.1
20	Retail Trade	Automotive Dealers and Stores	18.4

A comparison of Table 2 and Table 3 (Ranks of Percentage Declines) show that the greatest declines in both numerical and percentage terms occurred in the mining and construction divisions. Durable goods manufacturing industries, especially transportation equipment and the machinery industries, also experienced large and rapid decreases during the two recessions.

Table 4, which follows shows the peak and trough employment figures along with their respective dates and numerical and percentage changes for all of the two and three digit industries which experienced significant cyclical declines between 1978 and 1983. Except for the miscellaneous industries at the end of the table, the corresponding industry divisions and subdivisions which include these two and three digit industries are also shown. A number of industries in the nondurable goods manufacturing and transportation subdivisions are not included because they did not display any significant cyclical behavior. It might be noted that only ten of the industries shown in Table 4 had employment peaks in 1981 and 1982.

IV. Recovery

Because the emphasis of the article has been on the declines in Minnesota industry employment from 1979 to 1982, the recoveries will not be discussed in great detail.^{1/} The rest of this section will compare industry employment performance between the United States and Minnesota over the recent recovery phase of the business cycle.

Recovery from Trough

Comparisons of employment growth rates from the troughs to March 1985 by major industry sectors are shown for the United States and Minnesota in Table 5. The larger percentage gains in employment from the troughs to March 1985 for Minnesota as shown in Table 5 are most likely the result of the deeper downturn in Minnesota compared to that of the Nation rather than an indication of underlying long-term strength. This is indicated by Table 6 which shows that, except for manufacturing, payroll employment in the United States in March 1985 was better than in Minnesota when viewed in terms of previous highs.

Table 5
PERCENT GROWTH FROM TROUGH TO MARCH 1985
BY INDUSTRY SECTOR
UNITED STATES AND MINNESOTA

<u>Industry Sector</u>	<u>United States</u>	<u>Minnesota</u>
Total Nonagricultural Wage and Salary	8.9	11.2
Mining	Not Applicable No Cyclical Swing	52.2
Construction	21.5	32.2
Total Manufacturing	9.3	12.8
Durable Goods	12.9	14.9
Nondurable Goods	4.4	10.1
Trans., Commun., and Pub. Utilities	5.8	8.0
Transportation	10.9	10.7
Total Trade	10.5	12.3
Wholesale Trade	9.7	9.6
Retail Trade	11.6	13.6

^{1/} Detailed tables comparing recent employment data with previous highs as well as the troughs for the industries shown in Table 4 were omitted from this article because of space limitations. However, copies of these omitted tables are available on request from the Research and Statistical Services Office.

Table 4
PEAKS AND TROUGHS OF MINNESOTA INDUSTRIES
SHOWING CYCLICAL DECLINES FROM 1979 THROUGH 1983

	1978-82 Peak		1982-83 Trough		Decline	
	Number	Date	Number	Date	Numerical	Percent
Total Nonagricultural Wage and Salary Employment	1789723	Dec. 1979	1684332	Nov. 1982	105391	5.9
Total Mining	18377	Oct. 1979	5940	Aug. 1982	12437	67.7
Metal Mining	16526	Oct. 1978	4124	Aug. 1982	12402	75.0
Other Mining	2049	Dec. 1980	1636	May 1982	413	20.2
Construction	85393	Jan. 1980	56824	Apr. 1983	28569	33.5
Building Construction	28609	June 1979	16086	Feb. 1983	12523	43.8
General Contractors	15009	Dec. 1979	9151	Apr. 1983	5858	39.0
Special Trade Contractors	43716	Feb. 1980	31288	Apr. 1983	12428	28.4
Manufacturing	386139	Oct. 1979	336199	Nov. 1982	49940	12.9
Durable Goods	238422	Jan. 1980	198149	Nov. 1982	40273	16.9
Lumber and Wood	13674	Jan. 1979	8952	Apr. 1982	4722	34.5
Furniture and Fixtures	4093	Jan. 1980	3370	Aug. 1982	723	17.7
Stone, Clay and Glass	10248	June 1979	8042	Apr. 1982	2206	21.5
Primary Metals	7703	July 1979	5142	Feb. 1983	2561	33.2
Fabricated Metals	39785	Jan. 1980	32100	Mar. 1983	7685	19.3
Nonelectrical Machinery	91098	Jan. 1980	78187	Jan. 1983	12911	14.2
Farm Machinery	10482	July 1979	4907	Apr. 1983	5575	53.2
Const., Min., & Mat. Machinery	8584	Aug. 1978	4407	Jan. 1983	4177	48.7
Metal Working Machinery	5473	Feb. 1980	4428	Mar. 1983	1045	19.1
General Industrial Equipment	8936	Mar. 1980	6705	Feb. 1983	2231	25.0
Office Computing & Acctg. Equipment	41661	Feb. 1982	39463	Sep. 1982	2198	5.3
Service Industry Machines	8269	Sep. 1979	6322	June 1983	1947	23.5
Engines, Special & Misc. Machinery	14106	Jan. 1980	11355	Feb. 1983	2751	19.5
Electrical Machinery	28727	June 1979	24075	Feb. 1983	4652	16.2
Other Electrical Machinery	25664	June 1979	20115	Feb. 1983	5549	21.6
Transportation Equipment	12587	July 1979	4359	Jan. 1983	8228	65.4
Scientific Instruments	28008	Mar. 1980	25668	Dec. 1982	2340	8.4
Nondurable Goods	149094	Oct. 1979	137838	Dec. 1982	11256	7.5
Food and Kindred Products	51193	Dec. 1978	44904	June 1983	6289	12.3
Poultry Dressing	5100	Dec. 1978	3212	May 1982	1888	37.0
Paper and Allied Products	33899	July 1979	31777	Nov. 1982	2122	6.3
Chemicals and Allied Products	7880	Oct. 1981	7357	July 1982	523	6.6
Petroleum Refining and Related	1779	May 1981	1519	Mar. 1982	260	14.6
Rubber and Misc. Plastic and Leather	14371	Aug. 1979	11210	Nov. 1982	3161	22.0
Transportation, Communication & Utilities	102383	Aug. 1979	91620	Feb. 1983	10763	10.5
Transportation	67842	Aug. 1979	57936	Feb. 1983	9906	14.6
Local Railways and Bus Lines	8574	Aug. 1979	6745	July 1982	1829	21.3
Trucking and Warehousing	27098	Mar. 1979	22838	Feb. 1983	4260	15.7
Communication and Public Utilities	34668	June 1980	33645	Mar. 1983	1023	3.0
Communications	20402	June 1980	19960	Jan. 1983	742	3.6
Electric, Gas and Sanitary Services	14555	Mar. 1981	13959	July 1983	596	4.1
Total Trade	449345	Dec. 1979	422178	Dec. 1982	27167	6.0
Wholesale Trade	120882	Sept. 1979	108008	Mar. 1983	12874	10.7
Retail Trade	330528	Dec. 1979	313334	Nov. 1982	17194	5.2
Building Materials and Hardware	20232	Oct. 1979	16691	Oct. 1982	3541	17.5
General Merchandise Stores	50586	Mar. 1980	43620	Dec. 1982	6966	13.8
Food Stores	47248	June 1981	43779	June 1983	3469	7.3
Automotive Dealers and Stores	40572	Sep. 1978	33088	Feb. 1983	7484	18.4
Apparel and Accessories	16656	June 1979	15845	Nov. 1982	811	4.9
Furniture and Home Furnishings	13055	Feb. 1980	10492	Feb. 1983	2563	19.6
Eating and Drinking Places	107285	May 1981	104408	Nov. 1982	2877	2.7
Other Miscellaneous Industries						
Showing Cyclical Declines						
Real Estate	17212	June 1981	16450	May 1982	762	4.4
Ag. Services for Fish	5375	Dec. 1980	4836	Nov. 1982	539	10.0
Hotels	21991	Feb. 1981	19939	Nov. 1982	2052	9.3
Personal Services	17507	Sep. 1980	16952	July 1982	555	3.2
Business Services	58333	Dec. 1980	54719	June 1981	3614	6.2
Automotive and Misc. Repair Services	16912	Jan. 1980	15857	Aug. 1982	1055	6.2
Motion Pictures and Amusement	20700	Dec. 1981	19087	Dec. 1982	1613	7.8
Social, Museums, Memberships	83295	Apr. 1981	81715	July 1982	1580	1.9

Differences in the Extent of Recovery Between the United States and Minnesota

The reasons for the differences between the United States and Minnesota in the amount of employment growth from the low points, as well as the increases or lack of increases from previous highs, are somewhat related to the causes of the differences in the declines as described in Part II. Total nonagricultural wage and salary employment in Minnesota most likely has grown faster from its trough because the declines in Minnesota were deeper in all industry sectors except manufacturing. Minnesota's slightly lower percent of the previous peak in total wage and salary employment was the result of the very deep declines in mining and construction and also to the longer and deeper slide in trade. The likely causes for the downturns in mining construction and trade were given in Part II. Also, as discussed earlier, the manufacturing sector has performed better in Minnesota than nationally largely because of the differences in the composition of the industry as described in Part II. The structural differences between the United States and Minnesota within nondurable goods manufacturing have contributed significantly to comparative employment behavior in recent months as the textile and apparel industries have been devastated by imports. Thus, the United States with a much higher proportion of nondurables manufacturing in textiles and apparel could be expected to show much greater decline due to imports. The higher proportion of railroad employment in Minnesota is and will continue to keep transportation employment below its previous peak. The weaker showing in wholesale trade employment in Minnesota is probably due to the deeper recession in the State, but also to the lackluster performance of the agricultural sector that affected across the trading area.

Table 6
MARCH 1985 EMPLOYMENT LEVELS
COMPARED TO PREVIOUS HIGHS
(in percentages)

<u>Industry Sector</u>	<u>United States</u>	<u>Minnesota</u>
Total Nonagricultural Wage and Salary	105.5	104.7
Mining	Not Comparable	49.2
Construction	100.5	88.0
Total Manufacturing	93.2	98.2
Durable Goods	91.6	95.5
Nondurable Goods	95.5	101.8
Trans., Commun., and Pub. Utilities	101.1	96.6
Transportation	97.7	94.6
Total Trade	109.2	105.6
Wholesale Trade	105.9	98.0
Retail Trade	110.4	107.7

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMIES IN THE FIRST QUARTER

By B. Boyle

Nation

Although some of the indicators of economic activity improved in April, the Nation's economy was still growing slowly after a very weak first quarter. However, because of the recent reductions in the discount and prime rates, together with expected increases in disposable income from the tax refunds and a high level of consumer confidence, stronger growth is expected in the next two quarters.

Except for the unemployment rate, which has remained at or close to 7.3 percent since November, and manufacturing employment, which has declined steadily since January, employment conditions improved throughout the first quarter and into April. Manufacturing employment, especially in metals, machinery and textiles, has been hit hard by increasing imports. On the other hand, employment in construction rose by 70,000 in April after a gain of 114,000 in March. Also, growth in the services - producing sector, particularly in trade and business and health services, continued to be strong in the first quarter and in April.

Perhaps the best indication of a slow first quarter was a rise of only 0.7 percent in real gross national product, the smallest since the 0.5 percent in the fourth quarter of 1982. Also, industrial production fell 0.2 percent in April after very slim increases in the first quarter and was below the level of last August. On the other hand, housing starts and personal income and spending rose satisfactorily in April. Also encouraging was that April sales of domestic cars were at their highest level in six years.

State

The Minnesota economy gave out mixed signals in the first quarter and in April. While the unemployment rate declined throughout the first quarter and in April, both total and nonfarm payroll employment displayed weakness during the first quarter and especially in April. The decline in the unemployment rate largely reflected little or no growth in the labor force.

Minnesota's seasonally adjusted unemployment rate has fallen steadily since December, dropping from 6.6 percent in December to 5.4 percent in April. On the other hand, seasonally adjusted total employment fell by 18,300 in the first quarter as a huge decline in January offset gains in February and March and then suffered a 16,600 drop in April. Also, seasonally adjusted nonfarm payroll employment rose by only 11,732 in the first quarter after a rise of 21,505 in the fourth quarter and then dropped by 2,612 in April. Employment growth in trade and services slowed significantly in the first quarter while manufacturing employment fell between the fourth and first quarters. The quarterly and April declines in manufacturing employment were primarily in durable goods, particularly in stone, clay and glass; primary metals; machinery; transportation equipment; and instruments. The weaknesses in trade were largely in wholesale trade, building materials and general merchandise. In services, there was slow growth in hotels and health services and declines in education and miscellaneous services. On the other hand, employment in mining and construction grew more in the first quarter than in the fourth quarter. It appears that the Minnesota economy is having some of the same problems that the Nation is suffering, moving in fits and starts.

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Actual growth in the nation's real GNP on a seasonally adjusted annual basis fell to 0.7 percent in the first quarter compared with a growth rate of 4.9 percent for the fourth quarter of 1984. Despite this, our forecasts for real GNP and total Minnesota Nonagricultural Wage and Salary Employment continued to show substantial growth. Real GNP is forecasted to grow at 5.3 and 4.5 percent over the periods 1985:1 - 1986:1 and 1986:1 - 1987:1 respectively. Total Minnesota employment forecasts show 4.19 and 5.15 percent growth for the same two periods.

Growth rates by major industry division for the two periods are: Construction (+2.79,+4.24); Finance, Insurance and Real Estate (+4.26,+4.48); Government (+0.50,-0.05); Manufacturing (+2.85,+4.55); Services (+6.85,+7.08); total Trade (+3.96,+4.92); Transportation, Communication and Public Utilities (+3.46,+4.23).

Percent errors for one period ahead forecasts calculated for 1984:4 are: real GNP (+0.65); total employment (+0.47); Construction (-3.72); FIRE (+0.03); Government (+0.87); Manufacturing (+0.29); Mining (+17.97); Services (+0.26); total Trade (+0.15); Transportation, Communications and Public Utilities (+0.62).

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
<u>Current</u>										
1985:1	1665.40	1832.20	6.90	59.10	374.09	96.41	461.24	107.59	427.43	300.46
<u>Forecasts</u>										
1985:2	1683.39	1898.58	8.54	73.56	380.37	99.12	479.97	109.97	443.69	301.80
1985:3	1706.06	1923.03	9.40	86.01	396.73	99.09	486.71	111.94	449.74	277.83
1985:4	1728.79	1952.66	9.04	90.91	390.03	102.07	495.73	111.77	458.41	301.34
1986:1	1753.62	1909.01	8.55	60.75	384.76	99.74	479.55	112.17	456.73	301.81
1986:2	1775.55	1985.01	9.75	76.78	393.20	102.44	501.97	114.82	475.58	302.41
1986:3	1795.98	2020.75	10.03	90.74	412.47	103.47	509.37	116.80	481.49	279.72
1986:4	1815.90	2055.11	9.55	84.87	407.50	106.76	520.07	116.80	490.98	301.45
1987:1	1832.58	2007.25	9.06	63.32	402.28	103.96	503.16	117.20	489.06	301.69

Notes

1. These forecasts are produced using the Vector Autoregression model developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers, employees of nonprofit institutions, and those government workers not covered by unemployment insurance.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

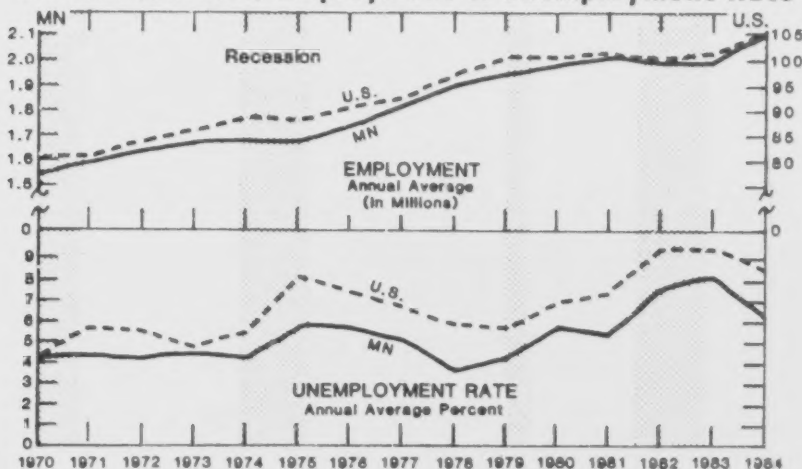
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	April 1985	Change From		April 1985	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2217.9	23.9	9.9	114.3	-0.1	2.2
Employed	2091.4	40.5	31.0	106.2	0.4	2.6
Unemployed	126.5	-16.6	-21.1	8.1	-0.5	-0.4
Unemployment Rate						
Actual	5.7	-0.8	-1.0	7.1	-0.4	-0.5
Seasonally Adjusted	5.4	-0.1	-0.9	7.3	0.0	-0.5

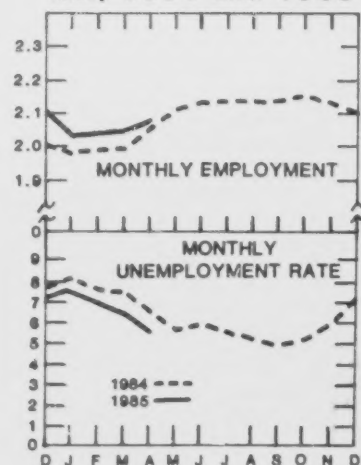
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands)				United States (Annual Average in Millions)			
	Labor Force	Employment	Unemployment		Labor Force	Employment	Unemployment	
			Number	Rate			Number	Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.0
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1999.0	177.0	8.2	111.6	100.8	10.7	9.6
1984	2229.0	2088.0	141.0	6.3	113.5	105.0	8.5	7.5

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

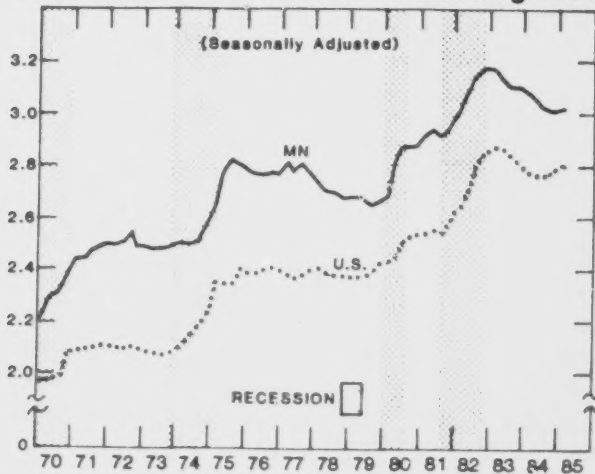
The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry

wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

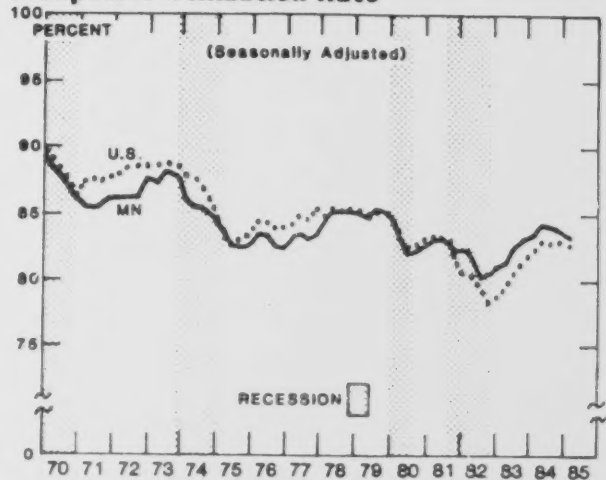
Labor Force & Establishment Data	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	I QTR. 1985	Percent Change from		I QTR. 1985	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2194.8	- 3.2	2.0	113820	-0.3	2.2
Seasonally Adjusted	2249.2	- 1.1	2.2	115158	0.9	2.2
Employment						
Actual	2041.3	- 4.1	2.9	104934	-1.2	2.9
Seasonally Adjusted	2115.1	- 0.7	2.9	106732	0.7	2.9
Unemployment						
Actual	153.5	11.3	- 8.6	8886	11.8	-5.5
Seasonally Adjusted	134.1	- 7.5	- 8.6	8426	2.3	-5.1
Unemployment Rates						
Actual	7.0	14.8	-10.3	7.8	11.4	-7.1
Seasonally Adjusted	6.0	- 6.3	-10.4	7.3	1.4	-7.6
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	70.3	- 1.4	1.2	64.9	0.6	1.2
Full Employment Deficit - Percent of Workers ¹ /	3.0	2.1	3.8	3.8	3.0	4.4
Manpower Utilization Rate ² /	83.3	- 0.2	-0.8	82.7	-0.4	0.2
Nonagricultural Wage & Salary Positions						
Employment*	1874.9	0.7	5.1	96247	0.8	3.8
Mining	7.4	-16.9	-19.6	999	-0.8	2.3
Construction	75.3	4.9	17.1	4546	3.0	8.8
Manufacturing	381.1	0.1	4.6	19754	0.1	2.0
Durables	229.7	- 0.2	4.9	11807	0.2	3.3
Nondurables	151.4	0.5	4.1	7947	0.0	0.2
Trans., Comm., & Public Utilities	97.5	0.1	1.5	5270	0.7	3.3
Trade	476.5	0.8	6.9	22440	1.1	4.8
Fin., Ins., & Real Estate	108.4	0.9	3.6	5797	1.2	3.6
Services	434.6	1.2	6.4	21345	1.5	5.3
Government	294.1	0.1	1.0	16096	0.0	1.4
Average Weekly Hours*						
Mining	39.6	2.6	5.9	43.1	-1.1	0.2
Construction	38.2	- 0.5	1.6	36.7	-2.7	0.0
Manufacturing	39.9	- 0.3	- 1.0	40.3	-0.5	-1.2
Durables	40.7	- 1.0	- 1.7	41.0	-0.7	-1.4
Nondurables	39.0	0.8	- 0.3	39.4	0.0	-1.3
Trans., Comm., & Public Utilities	37.6	0.3	- 0.8	39.3	0.3	0.0
Trade	29.8	- 0.3	- 2.6	32.0	-0.3	-0.6
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.4	-0.3	0.0
Services	n.a.	n.a.	n.a.	32.7	0.0	-0.3
Average Hourly Wage						
Mining	12.94	1.3	0.9	11.82	2.1	2.4
Construction	15.69	3.0	2.1	12.23	1.0	1.8
Manufacturing	9.97	1.1	2.7	9.43	1.4	3.9
Durables	10.07	0.4	2.1	9.98	1.4	3.5
Nondurables	9.82	2.1	3.3	8.61	1.3	4.2
Trans., Comm., & Public Utilities	11.70	0.2	2.2	11.31	0.3	2.4
Trade	7.50	0.3	- 0.9	6.91	1.8	2.7
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	7.84	1.6	4.0
Services	n.a.	n.a.	n.a.	7.84	1.2	3.8

Labor Market Conditions

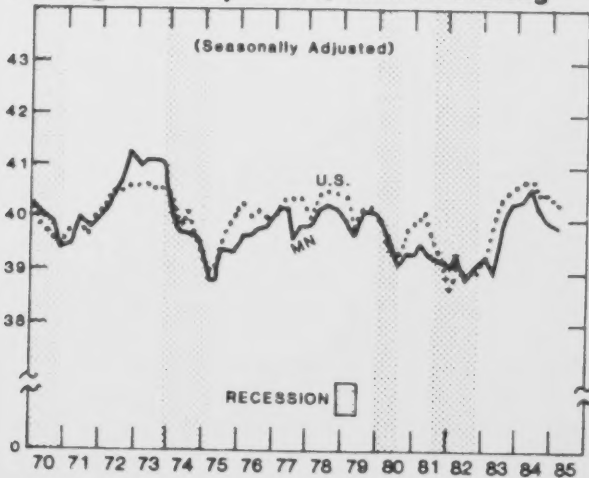
Ratio of Services to Goods Producing Jobs



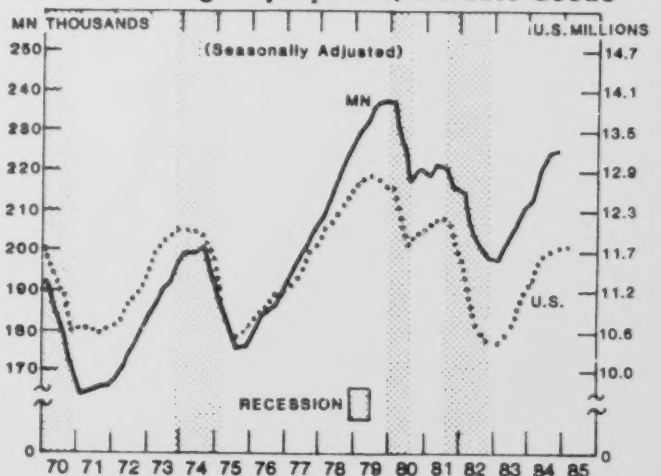
Manpower Utilization Rate



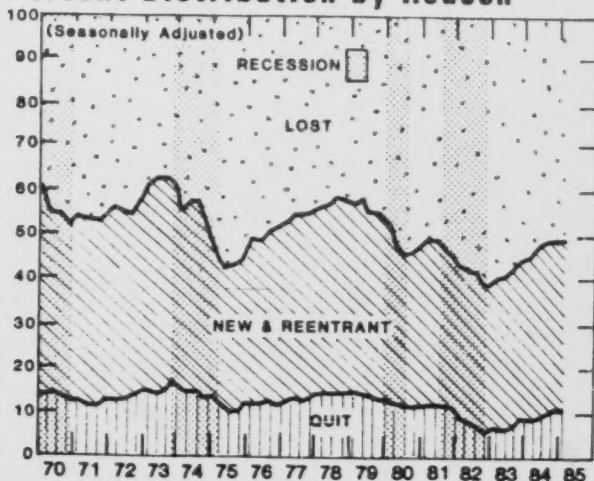
Average Weekly Hours, Manufacturing



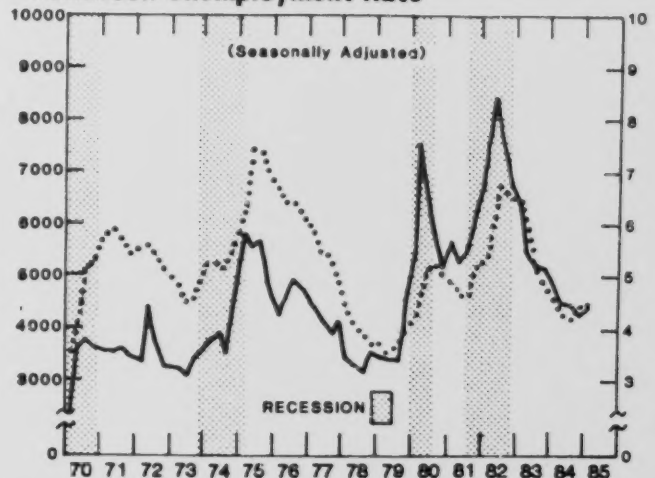
Manufacturing Employment, Durable Goods



U.S. Unemployment: Percent Distribution by Reason



MN Weekly Initial Claims & Handbook Unemployment Rate ^{1/}



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is

reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	First Quarter 1985			April 1985			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	50002	105.8	14.5	37616	-20.7	19.7	34.5
Under 45	38720	102.7	13.9	28961	-21.4	20.5	34.2
16-24	9242	95.8	7.1	6687	-23.5	19.4	36.7
25-34	19297	104.4	13.2	14489	-21.9	18.5	33.3
35-44	10181	106.0	22.3	7785	-18.6	25.4	33.8
45 and Over	11282	117.4	16.9	8655	-18.1	17.1	35.3
45-54	6509	117.0	18.2	4839	-19.7	18.4	34.7
55 and Over	4773	117.9	15.3	3816	-15.9	15.6	36.1
Female	13232	29.8	6.0	11908	- 5.7	9.2	27.1
Under 45	9802	28.6	8.2	8850	- 5.8	11.8	26.5
16-24	2407	31.2	- 1.8	2138	- 5.1	7.1	26.0
25-34	4535	28.0	12.3	4144	- 5.6	15.6	26.8
35-44	2860	27.5	11.4	2568	- 6.5	10.0	26.3
45 and Over	3430	33.3	0.03	3058	- 5.6	2.5	28.7
45-54	1922	31.2	3.8	1749	- 3.7	9.2	26.8
55 and Over	1508	36.0	- 4.4	1309	- 7.9	- 5.4	31.3
By Industry	63234	83.4	12.6	49524	-17.5	17.0	32.7
Ag., For., Fish.	1842	116.2	0.3	965	-40.5	7.1	53.8
Mining	3630	40.9	69.2	837	-49.5	13.0	62.9
Construction	20808	205.5	10.5	14835	-28.5	14.0	40.5
Manufacturing	15982	75.0	25.0	14949	- 5.0	42.0	28.1
Pub. Utilities	2952	98.3	25.2	2421	-14.2	22.4	31.6
Wholesale Trade	3573	59.2	19.7	3061	-14.9	30.0	29.9
Retail Trade	5141	49.3	- 7.3	4690	- 8.6	2.9	25.1
Fin., Ins., Real Est.	1151	2.8	14.3	1045	- 8.3	12.5	30.9
Services	6189	15.7	- 9.2	5483	- 7.0	- 7.1	26.2
Public Admin.	1137	28.3	- 8.1	720	-29.8	- 6.1	35.0
Inf. Not Available	829	42.0	42.4	518	-23.3	-20.7	4.5
By Occupation	63234	83.4	12.6	49524	-17.5	17.0	32.7
Prof., Tech., Mgr.	4905	12.2	3.1	4632	- 2.8	6.5	27.6
Clerical	3944	15.4	- 2.0	3786	- 2.0	2.9	26.6
Sales	1638	29.5	5.9	1577	- 3.5	15.1	27.3
Services	3039	17.2	-10.7	2622	- 9.5	- 8.5	25.2
Farm., For., Fish.	1583	98.6	- 0.1	858	-40.1	8.1	46.3
Processing	2813	148.5	- 7.3	2449	- 9.8	4.2	29.8
Machine Trade	3492	63.2	36.5	3341	- 6.5	63.4	24.4
Benchwork	5409	57.1	41.8	4708	- 8.6	55.4	28.0
Structural Work	22592	179.4	11.8	16179	-27.2	15.4	37.8
Misc.	13423	93.6	24.9	9038	-20.9	21.5	36.7
Inf. Not Available	396	30.7	-15.2	334	- 8.2	-11.9	30.2
By Duration							
0-14 Weeks	54134	81.4	14.6	33330	-27.0	10.0	
15+ Weeks (Long-Term)	9100	95.7	2.4	16194	12.4	34.7	

Labor Market Conditions

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

Industry	EMPLOYMENT ^{1/} (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	April 1985	March 1985	April 1984	March 1985	April 1984	April 1985	March 1985	April 1985	March 1985	April 1985	March 1985
Total Nonagricultural	1864.2	1838.3	1800.0	1.4	3.6						
Manufacturing	375.3	374.9	366.2	0.1	2.5	400.60	398.60	10.04	9.99	39.9	39.9
Durable Goods	227.3	227.3	222.9	0	2.0	416.15	413.09	10.15	10.10	41.0	40.9
Furniture, Lumber and Wood	16.9	16.5	15.8	2.5	6.8	455.22	413.39	11.13	10.85	40.9	38.1
Stone, Clay and Glass	7.9	7.6	8.0	5.1	-1.1	362.10	363.12	10.20	10.20	35.5	35.6
Primary Metals	5.9	5.9	6.5	-0.1	-8.3	399.50	391.35	9.40	9.34	42.5	41.9
Fabricated Metals	35.4	35.5	34.6	-0.2	2.1	444.85	451.26	10.85	10.90	41.0	41.4
Nonelectrical Machinery	94.9	95.5	90.5	-0.6	4.9	441.21	442.68	10.53	10.49	41.9	42.2
Electrical Machinery	27.4	27.5	27.4	-0.4	-0.2	316.01	317.20	7.94	7.93	39.8	40.0
Transportation Equipment	6.9	6.9	6.9	-0.9	-0.6	504.50	504.13	11.44	11.38	44.1	44.3
Other Durable Goods ^{2/}	31.9	32.0	33.1	-0.1	-3.4	392.69	392.85	9.72	9.70	40.4	40.5
Nondurable Goods	148.0	147.6	143.4	0.3	3.3	379.78	378.84	9.89	9.84	38.4	38.5
Food and Kindred	44.1	43.9	43.0	0.5	2.6	323.57	325.93	8.56	8.51	37.8	38.3
Textile and Apparel	4.6	4.6	4.9	-0.8	-5.8	221.90	219.45	6.34	6.27	35.0	35.0
Paper and Allied	33.5	33.6	33.1	-0.2	1.2	496.93	488.78	11.72	11.61	42.4	42.1
Printing and Publishing	42.2	41.8	39.3	0.9	7.4	376.28	379.10	10.54	10.56	35.7	35.9
Chemical and Petroleum	10.0	10.0	9.7	0.2	2.5	442.18	432.33	11.11	10.89	39.8	39.7
Rubber and Leather	13.7	13.8	13.4	-0.7	2.1	320.82	322.82	8.29	8.32	38.7	38.8
Nonmanufacturing	1488.9	1463.3	1433.8	1.8	3.8						
Mining and Quarrying	9.8	8.3	10.2	17.6	-4.1	514.80	519.87	13.20	13.33	39.0	39.0
Metal Mining	8.0	6.8	8.4	16.9	-5.4	538.23	542.72	13.98	14.06	38.5	38.6
Construction	65.9	59.0	58.6	11.8	12.5	604.03	584.23	15.73	15.79	38.4	37.0
Building	18.5	17.3	16.9	7.1	9.3	559.85	534.91	14.85	14.90	37.7	35.9
Highway and Heavy	8.7	5.9	8.3	47.5	4.6	540.20	508.00	13.08	12.70	41.3	40.0
Special Trades	38.7	35.8	33.3	8.1	16.2	640.84	622.54	16.82	16.78	38.1	37.1
Transportation	63.8	62.3	61.7	2.4	3.4						
Railroads	9.6	9.6	10.6	0.4	-9.3						
Trucking and Warehousing	26.6	25.9	24.8	2.7	7.3	398.25	415.64	11.51	11.61	34.6	35.8
Public Utilities	34.6	34.5	34.4	0.5	0.6	525.11	531.11	13.43	13.48	39.1	39.4
Communications	20.0	20.0	20.2	0.3	-0.8	480.09	479.70	12.31	12.30	39.0	39.0
Elec., Gas and Sanitary	14.6	14.5	14.2	0.8	2.6	579.28	591.72	14.74	14.83	39.3	39.9
Trade	469.7	460.8	449.2	1.9	4.6	220.58	222.85	7.58	7.58	29.1	29.4
Retail	351.7	344.2	333.9	2.2	5.3	177.27	177.89	6.59	6.54	26.9	27.2
General Merchandise	49.1	49.6	45.3	-0.9	8.3	165.00	168.56	6.25	6.22	26.4	27.1
Food Stores	46.1	45.6	45.8	1.2	0.7	195.39	196.38	7.21	7.22	27.1	27.2
Automotive	39.0	37.8	36.6	3.0	6.4	325.78	319.65	9.10	8.83	35.8	36.2
Eating and Drinking	123.0	118.3	114.9	4.0	7.1	103.45	103.49	4.66	4.62	22.2	22.4
Wholesale	118.0	116.6	115.2	1.2	2.4	372.69	378.05	10.10	10.19	36.9	37.1
F.I.R.E.	108.4	107.8	105.1	0.5	3.1						
Finance	50.8	50.5	49.9	0.6	2.0						
Insurance	39.2	39.2	37.8	0	3.8						
Real Estate	18.3	18.0	17.5	1.7	4.8						
Service	434.7	429.0	414.2	1.3	5.0						
Hotel and Lodging	21.9	21.5	20.8	1.9	5.3						
Business Services	80.3	79.2	71.5	1.4	12.3						
Health Services	137.0	136.6	134.2	0.3	2.0						
Private Education	24.9	24.7	24.9	0.6	-0.2						
Soc., Serv., Museums etc.	92.1	92.0	88.5	0.1	4.1						
Government	302.0	301.6	300.4	0.1	0.5						
Federal	31.2	31.0	30.3	0.6	3.0						
State	76.4	75.8	76.0	0.8	0.6						
Local	194.3	194.8	194.1	-0.2	0.1						

^{1/} Totals may not add because of rounding.

^{2/} Includes Scientific Instruments and Miscellaneous Industries.

Labor Market Conditions

Labor Force Data: State, MSAs, and Counties

Labor Force Data: State, MSAs, and Counties									
Area or County	April, 1985 Prelim.				Area or County	April, 1985 Prelim.			
	Labor ¹ / Force	Unemp.	Unemp. Rate			Labor ¹ / Force	Unemp.	Unemp. Rate	
				Year Ago					Year Ago
State of Minnesota	2217879	126457	5.7	6.7	Houston	10002	594	5.9	6.5
Metropolitan Areas					Hubbard	5709	684	12.0	14.4
Duluth/Superior MSA	100982	9334	9.2	11.8	Itasca	16901	2055	12.2	13.5
St. Louis County	84257	7900	9.4	11.9	Jackson	8330	369	4.4	5.5
City of Duluth	34291	2861	8.3	10.2	Kanabec	5682	728	12.8	11.6
Douglas County (Wisc.)	16725	1434	8.6	11.5	Kandiyohi	18668	1228	6.6	7.6
Fargo/Moorhead MSA	80018	3638	4.5	4.7	Kittson	3386	299	8.8	11.6
Cass County (N. Dakota)	51140	1921	3.8	3.3	Koochiching	7802	1237	15.9	11.9
Clay County	28878	1717	5.9	7.1	Lac Qui Parle	5938	348	5.9	6.1
Mpls./St. Paul-MN-WI MSA	1260464	52899	4.2	4.8	Lake	4518	511	11.3	18.8
Anoka County	118117	5645	4.8	5.1	Lake of the Woods	1762	165	9.4	11.2
Carver County	21952	824	3.8	5.5	Le Sueur	12092	1127	9.3	11.3
Chisago County	15842	1067	6.7	7.8	Lincoln	4013	268	6.7	7.8
Dakota County	118012	5222	4.4	4.6	Lyon	15779	812	5.1	6.1
Hennepin County	548453	20578	3.8	4.5	McLeod	16903	1005	5.9	7.0
City of Bloomington	47549	1593	3.4	4.3	Mahnomen	2896	302	10.4	13.3
City of Minneapolis	211755	8439	4.0	4.8	Marshall	6321	827	13.1	16.1
Isanti County	14226	1020	7.2	5.5	Martin	13969	830	5.9	6.5
Ramsey County	267917	10960	4.1	4.8	Meeker	10493	963	9.2	12.4
City of St. Paul	156014	7067	4.5	5.2	Mille Lacs	9260	807	8.7	9.6
St. Croix County (Wisc.)					Morrison	13194	1376	10.4	11.5
Scott County	26692	1475	5.5	5.9	Mower	18423	1030	5.6	7.1
Washington County	68350	2652	3.9	4.7	Murray	6218	429	6.9	9.3
Wright County	35744	2274	6.4	7.2	Nicollet	14880	727	4.9	5.4
Rochester MSA-Olmsted Cty.	61544	2440	4.0	4.7	Nobles	11900	716	6.0	7.1
St. Cloud MSA	81056	6245	7.7	8.0	Norman	4778	400	8.4	9.2
Benton County	12562	993	7.9	8.1	Otter Tail	25058	2354	9.4	10.9
Sherburne County	15072	979	6.5	7.5	Pennington	6120	598	9.8	10.6
Stearns County	53422	4273	8.0	8.1	Pine	9781	1094	11.2	12.7
Counties					Pipestone	5750	230	4.0	5.7
Aitkin	5257	968	18.4	20.6	Polk	16734	1440	8.6	10.2
Becker	12353	1324	10.7	17.0	Pope	5625	380	6.8	8.7
Beltrami	16465	1385	8.4	9.8	Red Lake	2233	314	14.1	17.7
Big Stone	3899	269	6.9	7.5	Redwood	10890	645	5.9	5.9
Blue Earth	28181	1312	4.7	5.3	Renville	11920	1088	9.1	10.3
Brown	14941	967	6.5	6.5	Rice	23368	1516	6.5	8.1
Carlton	11459	1236	10.8	13.1	Rock	5794	230	4.0	4.3
Cass	10436	1044	10.0	12.1	Roseau	6340	567	8.9	12.3
Chippewa	7772	660	8.5	7.9	Sibley	8487	675	8.0	8.5
Clearwater	4145	807	19.5	22.7	Steele	16496	894	5.4	7.4
Cook	2106	254	12.1	15.8	Stevens	5842	334	5.7	6.1
Cottonwood	7419	414	5.6	6.1	Swift	6482	565	8.7	9.0
Crow Wing	17631	1775	10.1	10.9	Todd	11514	918	8.0	8.8
Dodge	8630	616	7.1	9.7	Traverse	2863	162	5.7	7.2
Douglas	14005	1078	7.7	8.0	Wabasha	9911	741	7.5	8.2
Faribault	10649	615	5.8	7.6	Wadena	5430	428	7.9	10.1
Fillmore	12985	939	7.2	8.0	Waseca	9024	473	5.2	6.9
Freeborn	17698	1111	6.3	9.0	Watsonwan	6649	363	5.5	7.4
Goodhue	20450	1203	5.9	6.7	Wilkin	4372	309	7.1	7.1
Grant	3743	250	6.7	7.5	Winona	22275	1566	7.0	8.8
					Yellow Medicine	7840	490	6.3	6.8

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is applied to all county and MSA areas. County and area unemployment was multiplied by an adjustment factor of 1.26; employment was multiplied by 1.00. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

Labor force is the sum of employment and unemployment; therefore, employment can be derived by subtracting unemployment from the labor force.

National Economic Activity

Spending, Output, Income, and Prices

The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit

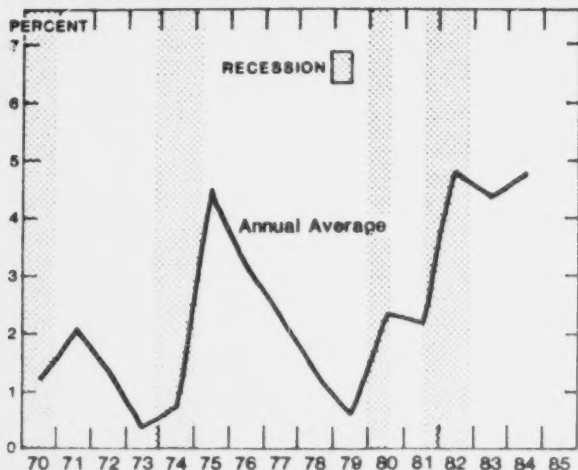
is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment.

Spending, Output, Income, and Prices	United States		
	I QTR. 1985	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars) ^{1/}	1668.0	0.3	3.5
Personal Consumption Expenditures	1087.9	1.2	4.2
Durable Goods	186.0	1.7	7.1
Nondurable Goods	399.1	1.0	3.1
Services	502.9	1.1	4.0
Gross Private Domestic Investment	295.5	1.9	3.5
Nonresidential ¹ , Fixed	215.6	0.8	11.5
Residential, Fixed	59.1	-0.2	-2.5
Net Exports	-26.1	#	#
Government Purchases	310.6	0.03	7.3
Federal	129.3	-0.2	15.2
State and Local	181.3	0.2	2.3
Current Federal Budget Surplus (Deficit) ^{2/}	-161.1	-197.8	-161.3
Current Federal Budget Surplus (Deficit) as % of GNP ^{3/}	-4.2	-5.3	-4.5
Retail Sales (in millions of dollars)	111416	1.4	5.6
Industrial Production ^{4/}	165.2	0.3	3.4
Housing Starts ^{5/}	1792	12.1	-8.0
Plant Utilization Rates	81.1	-0.6	0.5
New Orders - Durable Goods (in millions of dollars)	102677	1.9	0.7
Income and Credit			
Total Personal Income (in billions of dollars)	3141.6	1.5	7.6
Total Disposable Personal Income (in billions of dollars)	2652.6	0.3	6.0
Per Capita Personal Income			
Current Dollars	13199	1.2	6.6
1972 Dollars	4205	0.7	2.9
Median Family Income - Family of Four (in dollars)	34067	1.2	6.2
Poverty Threshold for Family of Four (in dollars)	10650	----	4.4
Average Weekly Earnings of Production Workers in Mfg.	378.01	-0.4	2.4
Money and Credit			
Money Supply (M2) (in billions of dollars)	2416.3	3.0	9.0
Federal Reserve Discount Rate	8.00	-8.4	-5.9
Prime Rate Charged by Banks	10.54	-10.7	-4.8
Consumer Instalment Credit as % of Disp. Pers. Income	17.6	3.3	13.7
Prices			
Consumer Price Index (All Urban Consumers)	317.4	0.6	3.6
Food	300.8	1.4	2.5
Housing	343.4	0.7	3.9
Apparel	202.3	-1.2	2.6
Transportation	315.2	-0.2	2.9
Medical Care	393.8	1.7	5.7
Personal Care	278.0	0.8	3.9
Producer Price Index	309.2	-0.2	-0.03
Finished Goods	292.5	0.1	0.7
Raw Materials	316.9	-1.6	-5.4

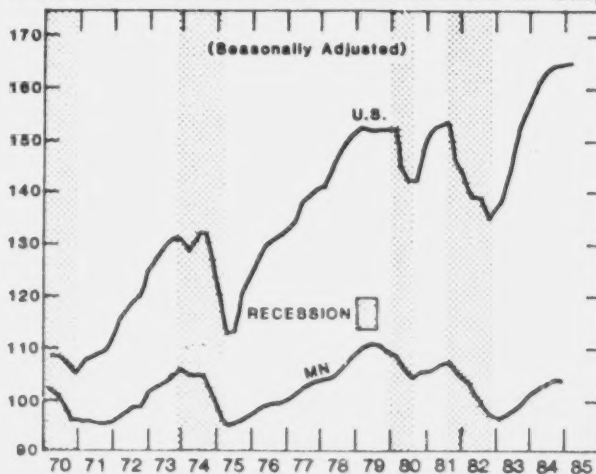
Percent change not applicable

Output, Expenditures, Money, & Credit Conditions

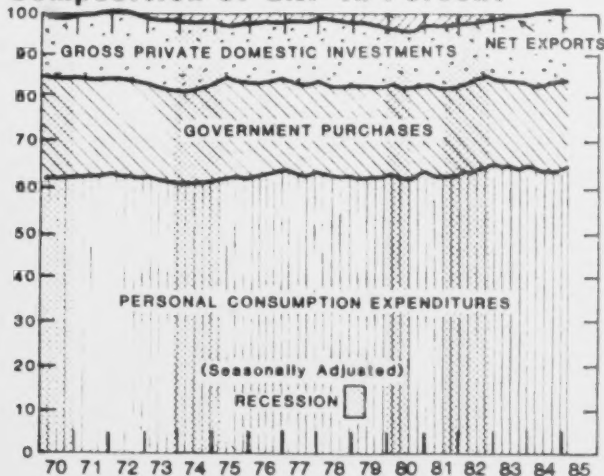
Federal Deficit as % of GNP (Current Dollars)



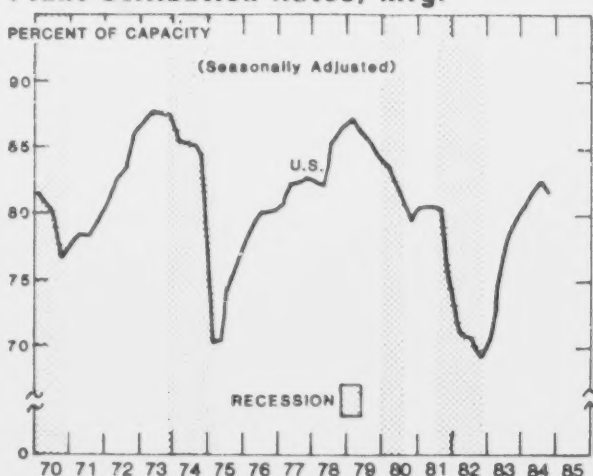
Index of Industrial Production & Emp.



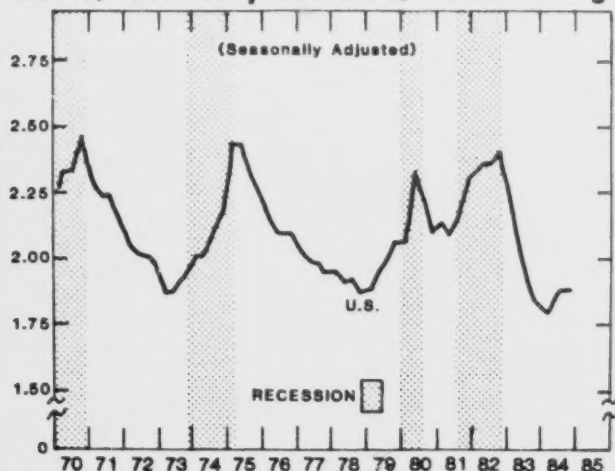
Composition of GNP in Percent



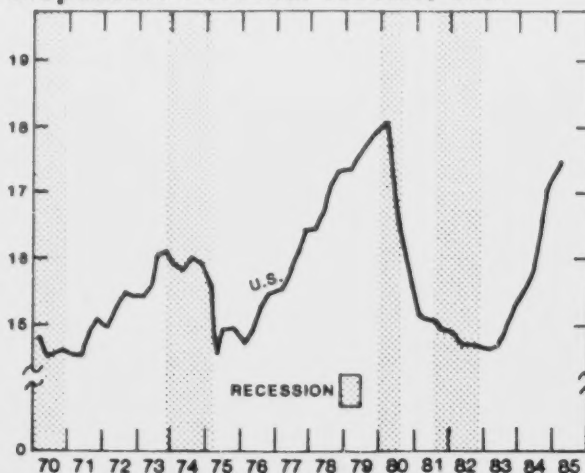
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.

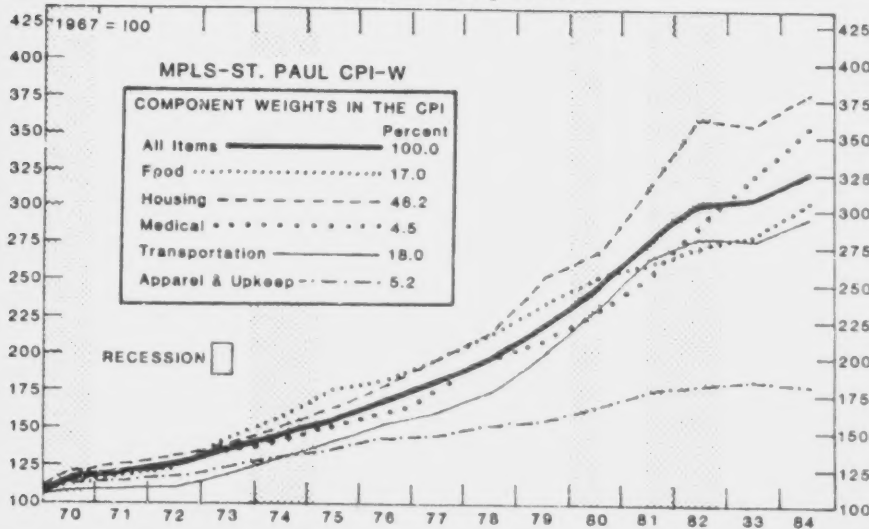


Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.

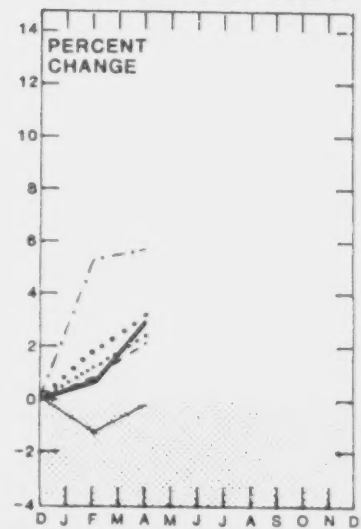


Income & Purchasing Power

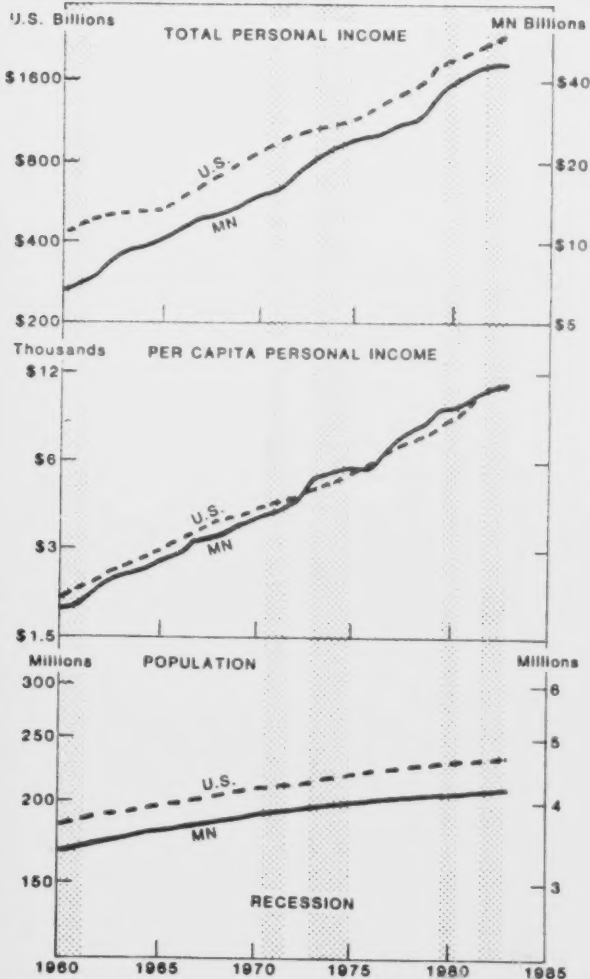
Consumer Price Index—Major Components



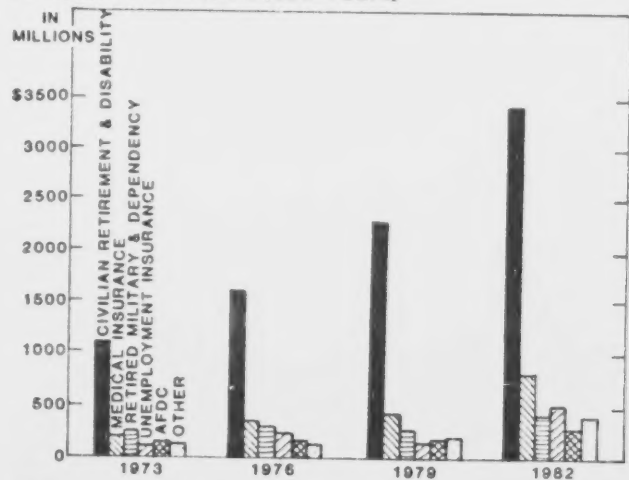
% Δ From Dec. 1984



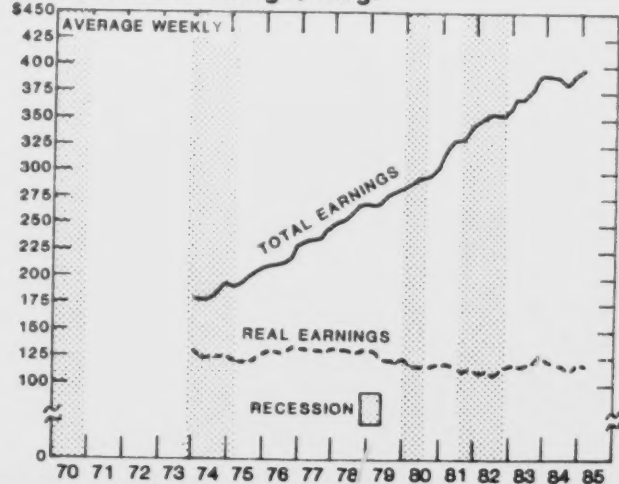
U.S. & MN Personal Income and Population



Government Transfer Payments To Individuals In Minnesota (Selected Years)



Minnesota Earnings, Mfg.



Minnesota Income Support and Employment Assistance Data

Presented below is data on income support and employment assistance programs provided to unemployed Minnesotans. Usually, the number of individuals receiving payments or employment and training assistance is the average of the three months in the quarter. In most programs there are eligibility requirements which must be met. In the

table below, comparative data from a quarter ago and a year ago is presented. Because of seasonal swings in economic activity, quarter to quarter comparisons of program data can vary significantly. Year ago comparisons give a better indication of trends in the economy.

	Number of Persons			Amount Paid (Thousands)		
	I QTR. 1985	Last Quarter	Last Year	I QTR. 1985	Last Quarter	Last Year
Unemployment Insurance						
Total State	74508	40901	67004	\$38,041.6	\$17,826.0	\$32,865.6
Northeast	11165	7164	8764	6,320.7	3,457.2	4,547.4
Northwest	11661	5986	10971	5,613.1	2,275.7	5,138.6
Central	10199	5026	9072	5,212.0	2,065.3	4,503.7
Metropolitan	25446	14701	23273	13,324.1	6,978.1	11,674.8
Southern	16036	8024	14924	7,571.7	3,049.7	7,001.0
General Assistance						
Total State	38467	32734	15883	7699.1	6,773.3	3,543.6
Northeast	66914	6290	2325	1303.8	1,257.1	505.9
Northwest	4171	3273	1331	737.2	585.3	260.3
Central	2341	1855	989	433.6	353.9	202.1
Metropolitan	20954	18066	9553	4418.9	3,933.8	2,212.9
Southern	4087	3250	1685	805.6	643.2	362.4
Job Service						
Individuals served	146781	136263	134247			
Individuals placed	3409	4786	4193			
Vocational Rehabilitation						
Active Caseload	15184	14876	14473			
Percent Severely Disabled	56.2	56.4	56.2			
Closed-Employed	311	428	386			
Job Training Partnership Act (Title IIA)						
Participants	11852	10264	10303			
Entered Employment	2082	1882	1668			
Trade Adjustment Assistance (TRA)						
Individuals Entitled to Basic TRA	1	3	65			
Individuals Placed or Entered Training	16	14	3			
Targeted Jobs Tax Credit						
Individuals Vouchered	1405	1328	605			
Individuals Certified	809	863	606			
Food Stamp Program						
Registrations	1559	2376	1501			
Individuals Entered Employment	115	140	178			
Work Incentive Program						
Registrants On-Board	24936	23837	23592			
Individuals Entered Employment	326	421	448			
MEED						
Individuals On-Board Left Program with Unsubsidized Job	5834	6368	8110			
	609	831	239			

Technical Notes

For the reader's convenience the notes which follow are organized in sequence for the pages which appear in the statistical section. Each note corresponds to the footnote or reference notation for the given page.

* Wherever an asterisk appears the data is seasonally adjusted.

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- 1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.
- 2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

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- 1/ The handbook unemployment rate is the estimate of unemployment prior to the Current Population Survey (CPS) adjustment.

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- 1/ Totals may not add due to rounding.
- 2/ Values shown in percent change columns are deficit in billions of dollars for period cited.
- 3/ Values shown in percent change columns are deficit as percent of GNP for period cited.
- 4/ Base year is 1967. Source: Federal Reserve Board.
- 5/ Annualized in thousands. Source: Bureau of the Census

Available Publications

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Labor Market Information Summary for 1985 for Minneapolis-St. Paul SMSA (May 1984), St. Cloud SMSA (June 1984), Duluth SMSA (September 1984) and Minnesota (April 1984)

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings, January 1950 - December 1984 (April 1985)

Employment, Hours, and Earnings, 1950-1985, Minneapolis-St. Paul Area (April 1985)

Important Minnesota Occupations by Industry (August 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

1983 Occupational Employment Statistics in Minnesota (December 1984)

1984 Minnesota Salary Survey by Area (September 1984)

1984 Minnesota Hospitals and Nursing Homes Salary Survey (September 1984)

1984 Minnesota Wage Data by Industry and Size of Firm (September 1984)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (Third Quarter 1984). Limited number available for 1975-1983

Average Covered Employment & Wages by Economic Region for the Calendar Year 1983 by Two Digits of Industry (also available for 1976-82)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950-1978

Cyclical Sensitivity in Minnesota (August 1981)

Write to: Director, Research and Statistical Services Office
Minnesota Department of Economic Security
390 North Robert Street
St. Paul, Minnesota 55101